

**Commercial Law: Secured Transactions**  
**Professor Stephen Ware**  
**Fall 2021**

<https://sware.ku.edu/commercial-law-secured-transactions/>

**Learning Outcomes.** This course has two main purposes. One is to study the law and practice of secured transactions and related debtor-creditor law. Successfully completing this course will advance students' knowledge about enforcement of money judgments; the creation, perfection, and enforcement of liens; and basic bankruptcy law. In addition, successfully completing this course will advance students' skills. An important purpose of the course is to improve—in the context of complex, technical statutes—students' skills in legal analysis and reasoning, legal research, problem-solving, and written and oral communication, as well as heighten students' awareness of professional and ethical responsibilities to clients and the legal system.

**In-Person and Possible Distance Learning.** Our course is scheduled for 10:20-11:15 on Mondays, Tuesdays, and Wednesdays in Room 203. I do not expect any of us will need to participate remotely but hope we will all be flexible to adapt if needed.

**Talking with Me.** Mondays, Tuesdays, and Thursdays, I intend to be fully available to students from 3:45 to 5pm. I will be available plenty of other times as well, and you are always welcome to schedule an appointment or stop by my office (414C), call 785-864-9209, or email [ware@ku.edu](mailto:ware@ku.edu). Please do not be shy. Talking with students is an important part of my job, and I enjoy it.

**Required Reading and Grading.** You may use either paper or digital versions of the following books. The required casebook is LYNN M. LOPUCKI, ET AL., SECURED TRANSACTIONS: A SYSTEMS APPROACH (9th ed., 2020). The recommended statutebook is ELIZABETH WARREN, BANKRUPTCY AND ARTICLE 9 (2021). You may use a different statutebook if it has current versions of these statutes: (1) Articles 1 and 9 of the Uniform Commercial Code, (2) the Uniform Motor Vehicle Certificate of Title and Anti-Theft Act, and (3) the Bankruptcy Code. The 2017-2020 versions of the recommended statutebook have the current versions of these statutes, as do several other books. Also required is a Coursepack.

You are responsible for doing the reading listed on this syllabus and for coming to class prepared to discuss the reading. The sections of the Uniform Commercial Code and other statutes referred to in the casebook are an integral part of each reading assignment.

Your grade for the course will consist of the final exam (60%), mid-term exam, (30%), your classroom performance (6%), and one other graded assignment (4%).

**Exams.** You may use any written material (such as outlines, books, notes) during the mid-term and final exam. They are completely "open book." You may also use a calculator. You may take the exams on your laptop computer if you do so with the exam software supported by the law school.

All assigned readings and classroom discussions are subject to testing on the exams. If you have questions about the assigned reading after our class discussion of it, please do not hesitate to contact me. I try to make the exam correspond to the course so topics that receive a lot of attention in the reading and in class play a bigger role on the exam than topics that receive less attention in the reading and in class. But I am not able to make this correspondence perfect.

I prefer that the entire class take the exams at their scheduled times. I will provide alternate exam times only to the extent the school's rules require me to do so for individual students.

**Classroom performance.** Should law professors use class time to lecture or to question students? I believe some lecture is fine to convey information, but you should not need to acquire much information during class. You can acquire nearly all the relevant information before class by doing the assigned reading, thinking about it, and discussing it with your classmates. (Study groups help many law students!) In short, you should come to each class knowing the law we will discuss in that class. You should know what the statutes say and what the courts have held. You should know the basic arguments in favor of those statutes and holdings and the basic arguments against those statutes and holdings.

If students know all this before class starts, then what is the purpose of our class time? One purpose is simply to test how well you learned before class. If I ask straightforward, factual questions about the reading and you have trouble answering quickly and confidently then you are receiving feedback suggesting that your class preparation or your ability to speak under pressure is deficient. Either way, you benefit from getting that feedback throughout the semester, rather than learning on the exam or later about the deficiencies. Of course, it is not only questions directed to you personally that give you feedback. After each question directed to one of your classmates, you should think about how you would answer it and compare the answer you would have given to the answer your classmate gave. In many good law school classes, much of the learning occurs through this process.

Another very important purpose of class time is to give you opportunities to "learn by doing." Speaking about the law, like writing about the law, is central to many lawyers' careers. While our exams should help develop your skills writing about the law, our class sessions should help develop your skills speaking about the law. And class discussion tends to improve as it includes more voices and viewpoints. So, the classroom performance part of the course grade rewards students who frequently volunteer (raise their hands) and contribute well, and I may call on students who have not raised their hands, as well as students who have.

If you are unable to prepare for a particular class, no worries if you tell me ahead of class ("May I have a pass today?") and you have been volunteering good contributions to our class discussion throughout the semester. By contrast, if you have gone a few days without volunteering in class then you should not be asking me for a pass. If you have gone a few days without volunteering and are unable to prepare for a particular class, then you are not handling our course appropriately, and should contact me to discuss.

Are you a bit stressed by a course in which the professor may call on any student at any time, and classroom performance is graded, albeit lightly? Similarly, many lawyers find aspects of

their jobs, including speaking to large audiences, stressful. Compared to most types of law practice, a law school class is a relatively safe, low-stakes environment in which to develop important professional skills. Please challenge yourself to get the most out of it, rather than shying away from it. I am here to help you with that, and if you ever find me demanding or critical, please know that I am trying to help you develop important professional skills.

**Attendance and lateness.** You may miss a class or two because you have transportation problems, a job interview, illness, a death in the family, or something similar. This sort of absence is no worry and you do not need to contact me about it. Just borrow class notes from a classmate and then let me know if you have any questions about the material we covered. Similarly, you may be late once or twice for reasons like those listed above. Again, this is no worry and you do not need to contact me about it. By contrast, if you are going to miss class or be late more than a couple of times during the course that is a worry. If that happens, you should take the initiative and contact me to discuss how we can address the situation and keep you on track with the course and your classmates.

**Computers and other electronics in class.** Subject to exceptions I will announce, you may use a computer in class, but only for working on this course. Audio or video recording of class is prohibited without my written permission.

**Accommodations.** Classroom and testing accommodations are available to eligible students registered with the Student Access Center. You may contact [access@ku.edu](mailto:access@ku.edu) or Assistant Dean for Academic and Student Affairs, Leah Terranova, [leaht@ku.edu](mailto:leaht@ku.edu) or 785-864-4357.

<u>CLASS</u>	<u>ASSIGNMENT</u>
<b>Chapter 1 - Creditors' Remedies Under State Law</b>	
1.	xxxi-xxxvii, 3-4
2.	4-13 (think "garnishment" while reading <i>Ellerbe</i> ), pages 1-6 of Coursepack, and both pieces of additional reading on debt collection in Kansas at <a href="https://sware.ku.edu/commercial-law-secured-transactions/">https://sware.ku.edu/commercial-law-secured-transactions/</a>
3.	13-19, do 1.1-3, 5. (Do 1.5b assuming no mortgage and then assuming the mortgage)
4.	22-24, 33-37, 606-10, do 2.1
5.	40-50, 52-54 (section F.1.); do 3.1-4
6.	31-33 (Sales of Accounts and Asset Securitization), 50-52, do 3.5-6. Read § 9-102(a)(65), (47), (11), (29) in that order. Then diagram transactions in which Deare grants Firstbank security interests in promissory notes, chattel paper, and deposit accounts. If any of your diagrams has only two parties, keep working.

<b><u>CLASS</u></b>	<b><u>ASSIGNMENT</u></b>
7.	33 (section C.) -37 (re-read), 57-73 (skip <i>Klein</i> ), and pages 7-8 of Coursepack, do 4.1-3, (then redo 4.1 in a state that allows deficiency judgments)
8.	76-87 and pages 9-11 of Coursepack (Kansas Uniform Consumer Credit Code §§ 5-103, 109-111), do 5.1, 3.
<b>Chapter 2 - Creditors' Remedies in Bankruptcy</b>	
9.	93-108, do 6.1-4 (skip <i>In re Omni Lion's Run</i> )
10.	110-116, do 7.1-2, then do 7.2 assuming Argosy is reorganizing in Chapter 11
11.	116-125, do 7.3-4
<b>Chapter 3 - Creation of Security Interests</b>	
12.	129-143, do 8.1-4
13.	148-157, 250 paragraph 4, do 9.1, 4, 6
14.	160-168, 173-176, do 10.1-2
15.	168-173, do 10.4-6
16.	192-209, skip <i>In re Tracy Broadcasting</i> , do 12.4-5 (for 12.5, read Rules of Prof'l Conduct on 148-49), do 12.7 in Casebook's Supplemental Problems at <a href="https://sware.ku.edu/commercial-law-secured-transactions/">https://sware.ku.edu/commercial-law-secured-transactions/</a>
<b>Chapters 4 and 5 - Default, Acceleration and Cure</b>	
17.	213-230 and in re-read Coursepack pages 8-10 (Kansas UCCC §§ 5-109-111); do 13.1, 4, then 13.7 (in Casebook's Supplemental Problems at <a href="https://sware.ku.edu/commercial-law-secured-transactions/">https://sware.ku.edu/commercial-law-secured-transactions/</a> ) and 13.3
18.	120-123 (re-read), 234-243, do 14.1, 3a-b
19.	247-266 (read the contract carefully), do 15.5
20.	<b>Mid-term Exam</b>
21.	Discuss mid-term exam
<b>Chapter 6 – Perfection</b>	
22.	269-279 (focus on <i>Peerless</i> ), 285-286, 9-317(a)(2); do 16.3, 16.4a, 16.4d(1)-(3), 16.5. Read 338-343.

<u>CLASS</u>	<u>ASSIGNMENT</u>
23.	<b>Graded Assignment.</b> At least an hour before class, email me a detailed, numbered list of what you found when you searched Arizona financing statements for a debtor named “Ware Manufacturing, Inc.” After your list, write a paragraph or two summarizing what you learned from these filings. Please do all this in the body of an email, rather than attaching anything to the email. Do this graded assignment on your own, as you would take an exam.
24.	319-334, 359-360 (sections 3 and 4), do 19.1a, b, d, f; do 19.2, 3, 4a.
<b>Chapter 7 - Maintaining Perfection</b>	
25.	367-381, do 22.4-5
26.	384-395, skip <i>Seaway</i> , do 23.1a-b, 23.2
27.	289-298, 398-408, skip <i>Dayka</i> , do 24.1a-d, 24.2a-d, f, 24.3a-b, 24.4a
28.	413-418, 422-427, do 25.2-3. If you can bring your/a Certificate of Title (or a scan/photo of it) to class, please do. You can keep it as private as you choose.
<b>Chapter 8 - Priority</b>	
29.	431-435, do 26.1-2
30.	437-444, skip <i>Legacy Bank</i> but focus on <i>Frierson</i> on p.442, do 26.3-4. P.442 typo: first word after <i>Legacy Bank</i> case should be Appellees rather than Thompson.
<b>Chapter 9 - Competitions for Collateral</b>	
31.	463-471, skip <i>Green</i> , do 28.4, 5-6a, then 28.2
32.	474-485, do 29.3-4, then 29.1-2. In 29.3 assume Mortgagee records.
33.	Review 95-96, 110-123 487-500, skip <i>Midlantic</i> , do 30.1a-b & f
34.	504-511, do 31.1b, then 31.1a, c
35.	178-180, 188-189, do 31.1d-f, 31.4
36.	514-527, skip <i>In re Reckart</i> , do 32.3, 6

<b><u>CLASS</u></b>	<b><u>ASSIGNMENT</u></b>
37.	Review 16.3. Read 587-602, skip <i>Daniel</i> and <i>RFC Capital</i> , do 36.5,6 a-b then 36.1-2a-d
38.	338-343, 470 (section D), review 28.4; 494 (section 3), 530-536
39.	Pages 12-15 of Coursepack.